KARNATAKA STATE AKKAMAHADEVI WOMEN'S UNIVERSITY,VIJAYAPURA

SYNOPTIC NOTE OF THE RESEARCH WORK

"Impact of Goods and Services Tax (GST) on Retail Sale: A Study of Textile Market in Vijayapura District of Karnataka State."

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I. INTRODUCTION:

The sentence tax is obtained from the estimation significance of the Latin phrase' taxare.' Ancient Greece's city states enforced eishpora to pay for wars that had been severe; but it was necessary to reimburse any excess once a conflict was over. Athens placed on foreigners a monthly poll tax. Imperial Rome used colonized peoples ' homage to multiply the empire's bounty. Julius Caesar imposed a one-cent income tax; Augustus established an inheritance tax to provide the navy with pension resources. However, human bondage stayed for Greece and Rome the most money-making form of homage.

Brief history of Taxation in India.

The word tax is derived from the Latin word "taxare" meaning to estimate. A tax is an enforced share or involuntary defrayment and contribution, exactly concordant to legislative authority" and is any share imposed by government whether it may be called as tribute, impost, duty, toll or custom, excise, aid, subsidy, supply etc.

India has been given a nicely-dependent and simplified taxation system in which many of the central government, separate state governments in addition to the local authorities, have been performed an authoritative segregation. The Revenue Department below the Ministry of Finance of India is solely responsible for tax calculations.

The major milestones in the Indian Indirect Tax reforms are depicted in the Table No: 1 given below.

Table No – 1: Major Milestones in Indian Indirect Tax Reform

Year	Type of Tax
1974	VAT should be introduced proposed by Report of L.K.Jha Committee
1986	Introduction of MODVAT a modified VAT
1991	Report of the Chelliah Committee recommended VAT/Goods & Services Tax (GST) & recommendations accepted by Government
1994	Introduction of Service Tax @ 4%
1999	Empowered Committee established on State VAT
Jan. 2000	Abolishment of tax related incentives granted by States and uniform floor sales tax rates implemented of (1%, 4%, 8% & 12%)
April 2003	VAT Implemented in one State
Sep. 2004	Significant progress towards a Central VAT/ GST – Integration
April 2005-06	VAT Implemented in 26 States
April 2006	VAT implemented in 5 more States
2007	• First GST stuffy released By Mr. P. Shome in January • F.M. Announces for GST in budget Speech • CST phase out starts in April 2007 • Joint Working Group formed and report submitted
2008	EC finalised the view on GST structure in April 2008
2009	On GST, first discussion paper was relinquished and the commission forwarded report proposing GST to be implemented from 1.4.2010 2010
2010	On GST discussion paper commented the department of Revenue and Finance Minister advised probable GST rate.

2011	A team had launched to prepare a road map for GST and then in Parliament, 115th Constitutional Amendment Bill for GST was laid down.
2012	For service tax counter list potency was implemented.
2013	Parliamentary Standing Committee submitted its report on the Bill to Parliament
2014	115th Amendment Bill lapsed and was reintroduced in 122nd Constitutional Amendment Bill
2015	Arun Jaitley, New Finance Minister of India revealed in his Budget Speech in February, 2015 that GST would be implemented by April, 2016
2016	Constitution of GST Council through 101st Amendment Act,
1st July, 2017	2016 Finally GST implemented in India

Source: 1. Akanksha Khurana & Aastha Sharm (2016), Goods And Services Tax In India - A Positive Reform for Indirect Tax System, International Journal of Advanced Research, Volume 4, Issue 3, 500.

2. Madhavan S. (2007), Roadmap to the Goods and Services Tax, Price Waterhouse Coopers,

Economic Reform in India.

The year 2017 will be etched in Indian records all the time because the year that noticed the execution of the largest and most important economic reform since Independence GST. The reform that took more than a decade of serious discussion was finally implemented with effect from 1 July 2017.

Indian Retail Market.

India's retail business is a main component of the financial system, accounting for about 10% of GDP. The Indian retail industry is expected to be over US$ 600 billion and one of the top five global retail markets by using economic prices.

Introduction to Goods and Services Tax (GST).

Goods and Services Tax (GST), a historical tax reform since independence, which is expected to transform the indirect taxation landscape in the country, came into effect from July 1, 2017. Heralded as a „destination tax", the GST is a tax on goods and services which will be paid at the point of receiving. GST will be levied on all transactions such as sale, transfer, purchase, barter, lease or import of goods and/or services. Involving both the Central and State levies, GST will be administered together by the Centre and the States.

GST is intended to be a unified oblique tax on products and services across the nation. In India's contemporary gadget, taxes are levied at each stage, using the Centre and the State on the general cost of the products at variable prices. But this is set to be implemented under the GST device; tax can be levied the most conveniently at the value ADDED at each degree. It is a single tax (accumulated at more than one point) with a complete set-off for previously paid taxes within the value chain. Thus, at all the previous phases, the final customer will experience the handiest GST charged through the final retailer in the supply chain with set-off benefits. GST recommends to eliminate the different degrees of taxation between States and to take into consideration the United States of America as a whole unmarried body when it comes

to taxes on products and offers instead of a segmented creature. GST has become, but has been implemented within the Indian economic system to replace certain tax schemes composed of Facility Tax, cessation and supplements linked to the supply of products or products, Rest Room Preparations, ETC., Extra customs duties on textiles and fabric products, additional customs duties on items of unique significance. And a few taxes that could be incorporated into the GST system could also include: Luxury Tax, Commercial Tax, State cessation and surcharges, Lottery, Betting and Gambling Tax etc.,

The biggest tax reform since independence, GST will pave the way for realisation of the goal of One Nation - One Tax – One Market. Thus, GST is expected to make movement of goods freer across the country making life easier for manufacturers, producers and investors. Under GST, each good or services will be taxed at one of the following four rates: 5%, 12%, 18% and 28% or it could be exempted from tax. There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold. Under GST regime, exports and supplies to SEZs are zero rated and all the taxes paid while purchasing and manufacturing the goods including the taxes paid on raw material and services are returned to the exporter to make the exports competitive. The sellers or service providers collect the tax from their customer, who may or may not be the ultimate customer, and before depositing the same to the exchequer, they deduct the tax they have already paid. This tax seeks to align the Indian taxation system with the global standards and norms particularly with Europe and USA, the main trading partners.

Benefits of GST.

• Removal of a couple of taxation.

• Removal of cascading tax effect, i.e. Tax on tax.

• Increase inside the manufacturing of goods and services

• Increase in the call for and deliver of goods and services.

• Due to decrease burden of taxes, there may be a discount in ordinary costs.

• Burden has been reduced at the final taxpayer, i.e. Consumer at the cease.

• Control over the flow of black cash because the machine normally followed through buyers and shopkeepers could be put to an obligatory check.

II. Review of Literature:

The review of literate is one of most significant part of any research wok through which we come to know regarding the subject matter of research problem .where as pertaining to GST very few research studies are found after the its implementation .hence the some of the most important reviews are listed below which will help us to understand present condition and future impact of GST with reference to Indian Economy .the review are as follows.

Ahmed Ehtisham and Poddar Satya (2009) is of them view that Goods and services tax (GST) is a reformation of indirect tax and it is relate two government or more government

,it is easy and simple way of fill the tax and which create more income and productivity of country .Its benefits depend only on the designer of GST.

Dr.R.Vasanthagopal (2011) referred as it's complete that shift to smooth GST from current sophisticated tax system and it'll be positive move in growing Indian economy. Achievement of GST in additional than one hundred thirty countries has a replaced with GST most popular type of tax system in Asia countries .and also he mentioned huge an enormous leap within the Indirect Taxation system and mentioned regarding the impact of Goods Services Tax on varied sectors of the economy and however it'll be take huge leap on India's economic amendment.

Pinki, Supriya Kamma and Richa Verma (July 2014) are of opinions GST-panacea for tax system in India. And the present govt NDA which has tried to implement GST which is not only beneficial for central govt but also useful for consumer and producers etc. and also its implementation endorse in IT infrastructure in long run.

Agogo Mawuli (May 2014) in his paper "Goods and service Tax –An Appraisal "said that GST would be beneficial for underdeveloped and developing countries because of low income levels that would not be have a broad concept of growth and development for poor one, If yet they used to implement GST then the percentage of GST would be lower than 10% for growth and development.

Monika Sehrawat, and Upasana Dhanda, (December 2015) are of opinion GST in India become a key tax refore." That If the GST would be subjected to its coherent design and considering its implementation timeline then it would be a world class tax system through seizing various manufacturing and services sector.

Sathpalpuliani and M.A.Maniyar (2016) Noted in their Book Glimpse of Goods and services Tax'' that under the Article 279A of Indian constitution proposed GST must be implemented in accordance of GST council with appropriate rates of GST to resolve problems among the states.

Dr. P.Vijayaraghavan and Mr. Muhammed Unais (April 2017) Stated that GST will be a new reform in Indian economy and with boost up to produces for increase in production overall it will also added to exports and enhance the gross national product.

Dr. H.C Mehrotra and professor V P Agarwal (2018) mentioned in his books "Goods and services Tax "GST council simply functions separately centre government and state as guidance mentioned by GST council even the parliament also stated the state and centre execute freely other than the causes and results of GST has positive impact on Indian economy.

III. Significance of GST:

Good ant services tax is new taxes system and is expected to bring together state economies and improve overall economic growth of the nation. GST is a indirect tax and comprehensive tax which levy on manufacture sale and consumption of goods as well as services at the national level, it will replace all indirect taxes. GST goods and service tax is a

bill recently passed that helps in making your tax structure easier and helps in removing all the indirect taxes.

Extra taxes from a business. GST helps in managing your taxes and gives you a clear view of taxes that you are paying. It is expected to bring greater transparency and improve compliance levels and create a common playing field and GST is good for Indian economy, GST is a single indirect tax on the supply of goods and services right from the manufacturer to consumer.

VII. Statement of the problems:

There is an estimated mismatch in tax rupees, the present GST structure has no mechanism for checking discrepancies found between. GST return for July –Dec and final return about 85% of the taxpayer were unable to correctly report revenue statement. such regime is likely to create Economic and Political issues. People and retailers are facing more difficult after implementation of GST. It is one of the most complex with the second highest tax rate.

As of 1st July 2020 the fourth year of GST implementation had started and yet , tax filers had not been able to fill the returns even for the first year for the filer become one of the biggest pain points and for all still about GST have not full or clear information. Tax filers are thus finding it very difficult.

VIII. Objectives of the Study :

1. To study the historical background of the Indirect Tax system in India.
2. To understand the need, growth and problems of GST in India.
3. To know the impact of GST on Textile Market in Indian Retail Market.
4. To assess the various issues and challenges faced by Textile Market in retail market through GST in Vijayapura district.
5. To suggest remedial measure to improve Textile Market in the Study area.

IX. Hypotheses:

H0: There are no significant changes in taxes and no clear picture of GST before and after implementation.

H1: There is a significant change in taxes after implementation of GST.

VII. Research Methodology:

For the present study following research methodology will be adopted

1. Selection of Area:

The present study extends over Vijayapura district. Researcher has selected the research Problem as a “Impact of Goods and Services Tax (GST) on Retail Market: A case Study of Textile Market in Vijayapura district of Karnataka State” In Vijayapura district which

has 5 taluks i.e 1)Vijayapura 2) Indi, 3) Basavana Bagewadi 4) Sindagi 5) Muddebihal among these taluks only 3 taluks 1)Vijayapura and 2) Basavana Bagewadi 3) Indi, selected for the purpose of Research..

2. Collection of Data:

The collection of data based on both primary sources and secondary sources. The primary data will be collected through using questionnaire method. A suitable questionnaire will be designed to collect the information. The secondary data will be collected through Book, Journal, Newspaper, Published and Unpublished Report, Govt. Report, Articles and Websites etc.

3. Sample Size:

The study will be covered samples by following simple random sampling method and size of sample will be calculated with the help of creative research system online sample size calculator at 95 percent confidence level and 5 confidence interval.

The present study will be selected respondent on the basis of selected Textile market area in 5 taluks of Vijayapura District of Karnataka State.

4. Data Analysis:

For the present study, data collected through questionnaire will be tabulated and analyzed by using simple statistical tools such as percentage, ratio-proportion, averages frequency, range etc.

VIII. Chapter schemes:

1. Research Design.
2. Review of Literature.
3. Tax System in India.
4. Profile of Vijayapura district.
5. Data analysis and Interpretation.
6. Findings, Suggestion and Conclusion.

IX. Limitations of the Study:

The following are the Limitations of the study,

1) The present study covers only one district i.e.Vijayapura district.
2) The present study covers only Indirect Taxes, which is GST.
3) The present study is concentrated only on Retail Market particularly Textile market.

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